



"People
helping people
help
themselves"

Joseph E. Kernan, Governor
State of Indiana

Indiana Family and Social Services Administration
402 W. WASHINGTON STREET, P.O. Box 7083
INDIANAPOLIS, IN 46207-7083

Cheryl G. Sullivan, Secretary
[Family and Social Services Administration](#)

April 19, 2004

The Honorable Joseph E. Kernan
Office of the Governor
Indiana State House
Indianapolis, IN 46204

Dear Governor Kernan,

House Enrollment Act (HEA) 1251, which was passed during this legislative session, mandates that the Prescription Drug Advisory Committee make program design recommendations to your office and the Office of the Secretary of Family and Social Services Administration (FSSA) regarding the coordination between the Indiana Prescription Drug Program, HoosierRx, and the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003. As Chair of the Committee, I am submitting the Committee's recommendations for your review.

Specifically, HEA 1251 requires the Committee to make recommendations on the following:

- Eligibility criteria, including the desirability of incorporating an income factor based on the federal poverty level (FPL).
- Benefit structure.
- Cost-sharing requirements, including whether the program should include a requirement for co-payments or premium payments.
- Marketing and outreach strategies.
- Administrative structure and delivery systems.
- Evaluation.
- Cost-effectiveness of program design.
- Coordination with existing pharmaceutical assistance programs.
- Strategies to minimize crowd-out of private insurance.
- Feasibility of a health care subsidy program where the amount of the subsidy is based on income.

The Prescription Drug Advisory Committee voted unanimously to recommend the following:

- HoosierRx shall continue to serve Indiana residents, age 65 or over, with incomes at or below 135% FPL, who have no other prescription drug insurance.



- Benefits will cover most of the prescription drugs covered under Medicaid. The amount of benefits will be limited to a maximum of \$1,200 over a period of 19 months, and prorated, depending on time of enrollment.

\$1,200 in benefit, if enrolled June - September 2004	\$1,000 in benefit, if enrolled October - December 2004	\$800 in benefit, if enrolled January - March 2005	Prorate \$200 per quarter, after March 2005
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- The point-of-sale prescription drug co-payment paid by the individual will be 25%, a decrease from the current co-payment amount of 50%. HoosierRx would pay 75% of the drug cost, up to the maximum limit.
- The program will continue partnerships with organizations such as Senior Health Insurance Information Program (SHIIP), American Association of Retired Persons (AARP), Area Agencies on Aging (AAA), Community Action Agencies and Township Trustees. These organizations help senior citizens understand the program and help make the applications available. Program applications are also available at pharmacies, doctors' offices and senior residential areas.
- The program will continue to be administered in a way that will maximize savings to the State. ACS State Healthcare, the program's Pharmacy Benefit Manager, will continue to process HoosierRx claims at the point-of-service and administer the program's clinical initiatives.
- The program will conduct program evaluation initiatives that focus on both utilization and satisfaction of enrollees with the program.
- The program will explore coordinating with the Medicare Drug Discount Card Sponsors. As well, the program will continue to work with other pharmacy assistance programs.
- Those with a private insurance or Medicaid, with access to prescription drug assistance, will continue to be ineligible for the program. However, individuals with a prescription drug discount card, including the Medicare Drug Discount Card, will be allowed to enroll in HoosierRx. The program would encourage those eligible for the Medicare Drug Discount Card's \$600 credit to sign up and use the \$600 credit before using the HoosierRx Drug card.
- The program will work with the Indiana Primary Health Care Association, including Federally Qualified Health Centers, to provide individuals without a primary health care benefit with access to information on health services. Such primary care will include, but is not limited to, medical management related to prescription and non-prescription pharmaceutical products.

The Prescription Drug Advisory Committee appreciates the opportunity to provide these recommendations to you and believes that they will provide necessary and valuable benefits to Hoosier seniors in need of prescription drug assistance. Please let me know if you have any questions or would like additional information from the Committee.

Sincerely,

Melanie Bella

Cc: Prescription Drug Program Advisory Committee members

